



SUBMITTED WRITTEN TESTIMONY

**Submitted by Ann M. Olson, President and CEO
Interim HealthCare of Hartford, Inc.
Farmington, CT**

Submitted to the Aging Committee

February 25, 2014

IN SUPPORT OF:

**HB 5222 - AN ACT CONCERNING A STUDY OF FUNDING AND SUPPORT FOR
HOME AND COMMUNITY-BASED CARE FOR ELDERLY PERSONS AND PESONS
WITH ALZHEIMER'S DISEASE**

**HB 5225 - AN ACT INCREASING ELIGIBILITY FOR THE CT HOME CARE
PROGRAM FOR THE ELDERLY**

HB 5227 - AN ACT CONCERING AGING

**SB 174 - AN ACT CONCERNING FAIRNESS IN MEDICAID ELIGIBILITY
DETERMINATIONS FOR HOME CARE CLIENTS**

Thank you for the opportunity to address the honorable members of the Aging Committee. My name is Ann Olson and I am the President and CEO of the Interim HealthCare of Hartford, Inc.

Interim HealthCare of Hartford, Inc. is a For-Profit Home care agency that services all of Hartford County, and parts of Tolland and Middlesex Counties. We have a daily patient census of 1800 clients. We care for all ages, from newborns to the elderly, and offer several specialty programs to meet the unique needs in the community. These include Medical surgical, Pediatrics, Behavioral Health, Cardiac Care, Wound Care and Rehabilitation Services. Last year we provided 187,396 visits to this diverse client population that we serve.

For over 45 years, our mission has been and continues to be, to provide a broad range of reliable and high quality home care services to CT residents in accordance with the highest ethical standards. We employ close to 1000 health care workers, and provide high-tech and specialized in-person and telehealth services to clients in

the comfort of their home. In the wake of health care reform, we are proud of our outstanding outcomes, demonstrating low rehospitalization rates and high patient satisfaction scores. Home care is proven to be the most cost effective means of delivering care. However, the current State Medicaid reimbursement rates are not adequate to continue to provide these critical home care services, amidst the regulatory and administrative burdens imposed on home care agencies in Connecticut.

As the Aging Committee considers the future needs of our most vulnerable citizens, I urge you to weigh the value and cost savings that home and community-based care offers. Connecticut must invest in the survival and future of the providers that are enabling these significant savings to the Medicaid program. I support the four raised bills being heard today – HB 5222, HB 5225, HB 5227 and HB 174 all of which pertain to increasing home and community based care and access for elderly persons and persons with Alzheimer's disease.

Since our inception, we have serviced all clients regardless of their funding source. State Medicaid and CT Home Care Program for Elders (CHCPE).represents almost 47 % of company revenue. Flat Medicaid reimbursement to our agency since 2007, with increased payroll costs, regulatory burdens and audit scrutiny, has caused employment instability for our workforce and challenges to the agency. The current Medicaid reimbursement rate does not cover the cost to provide care under the Medicaid and CHCPE program. With a projected increase of eligible CT Medicaid clients, servicing a higher percentage of Medicaid clients at the current inadequate rates would put our agency at risk.

There must be fairness in the Medicaid eligibility process, so that providers like us do not have to write off thousands of dollars due to changing eligibility and spend downs. Poor coordination on authorizations for payment between DSS, the CHCPE, and our staff trying to care for these patients has caused additional losses. The recent restructuring, where the CHCPE provides authorization for services, and DSS pays the claims, has caused increased operational and financial burden. **We strongly support SB 174 to promote fairness in this process and prevent additional financial hardship to our agency by having uncollected payments for necessary services provided in good faith.**

As a free standing agency, we are unable to be selective or impact referral patterns from large health care systems and hospitals. Our percentage of Medicare clients has been reduced in recent years, and the percentage of Medicaid has been on the rise. The percentage of Medicare clients that we currently do have does not offset the current underfunding by DSS for Medicaid clients. To compound this, as you are aware, with Medicare reimbursement cuts, totaling a 3.5% reduction each year from 2014 to 2017, the operating budget for home care agencies will be further challenged.

Interim HealthCare is one of many agencies in the State, who respectfully request that if there is expansion of these programs through the Bills before you, there must be an associated increase in Medicaid rates so that we can cover the cost of care and continue access for this needy population.

We are privileged to care for some of Connecticut's most frail residents. With the support of the Committee to approve these bills and advocate for an increase Medicaid reimbursement rates, we hope to continue our mission and remain viable.

Thank you for your attention to this matter.